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SENATE BILL 552

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Richard C. Martinez

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; PROVIDING AUTHORITY FOR INCREASED
OPERATIONAL FUNDING FOR DETENTION CENTERS; INCREASING THE
COUNTY CORRECTIONAL FACILITY TAXING AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-20F-1 NMSA 1978 (being Laws 1993,
Chapter 303, Section 1) is amended to read:

"7-20F-1. SHORT TITLE.--~~[Sections 3 through 14 of this
act]~~ Chapter 7, Article 20F NMSA 1978 may be cited as the
"County Correctional Facility Gross Receipts Tax Act"."

Section 2. Section 7-20F-3 NMSA 1978 (being Laws 1993,
Chapter 303, Section 3, as amended) is amended to read:

"7-20F-3. COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS
TAX--AUTHORITY TO IMPOSE--RATE--ORDINANCE REQUIREMENTS--
REFERENDUM.--

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underscored material = new
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1 A. The majority of the members elected to the
2 county board may enact an ordinance imposing on a countywide
3 basis an excise tax not to exceed a rate of [~~one-eighth~~] one-
4 fourth percent of the gross receipts of any person engaging in
5 business in the county, including all municipalities within the
6 county.

7 B. The tax imposed pursuant to Subsection A of this
8 section may be referred to as the "county correctional facility
9 gross receipts tax".

10 C. Any ordinance imposing a county correctional
11 facility gross receipts tax pursuant to this section shall:

12 (1) impose the tax in any number of increments
13 of one-sixteenth percent not to exceed an aggregate amount of
14 [~~one-eighth~~] one-fourth percent;

15 (2) specify that the imposition of the tax
16 will begin on either July 1 or January 1, whichever occurs
17 first after the expiration of at least three months from the
18 date that the department is notified personally or by mail by
19 the county of adoption of the ordinance; and

20 (3) dedicate the revenue from the county
21 correctional facility gross receipts tax:

22 (a) for the purpose of operating,
23 maintaining, constructing, purchasing, furnishing, equipping,
24 rehabilitating, expanding or improving a detention center, a
25 judicial-correctional or [~~a~~] county correctional facility or

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1 the grounds of a detention center or a judicial-correctional or
2 county correctional facility, including acquiring and improving
3 parking lots, landscaping or any combination of the foregoing;

4 (b) for the purpose of transporting or
5 extraditing prisoners; or

6 (c) to payment of principal and interest
7 on revenue bonds or refunding bonds issued pursuant to the
8 provisions of the County Correctional Facility Gross Receipts
9 Tax Act.

10 D. An ordinance imposing the first and second one-
11 sixteenth increments of a county correctional facility gross
12 receipts tax pursuant to this section shall be subject to
13 optional referendum selection by the governing body, as
14 provided in Subsection A of Section 7-20E-3 NMSA 1978.

15 E. An ordinance imposing the third and fourth one-
16 sixteenth increments of a county correctional facility gross
17 receipts tax pursuant to this section shall be subject to
18 election as provided in Paragraph (2) of Subsection A of
19 Section 7-20E-3 NMSA 1978.

20 [~~E-~~] F. If the county has pledged the revenue from
21 imposition of the county correctional facilities gross receipts
22 tax to the repayment of bonds or other indebtedness, revenue
23 produced by the imposition of a county correctional facility
24 gross receipts tax that is in excess of the annual principal
25 and interest due on bonds secured by a pledge of the county

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1 correctional facility gross receipts tax may be accumulated in
2 a debt service reserve account until an amount equal to the
3 maximum amount permitted pursuant to the provisions of the
4 United States treasury regulations is accumulated in the debt
5 service reserve account. After the debt service reserve
6 account requirements have been met, the excess revenue shall be
7 accumulated in an extraordinary mandatory redemption fund and
8 annually used to redeem the bonds prior to their stated
9 maturity date.

10 ~~[F-]~~ G. If the county has pledged the revenue from
11 imposition of the county correctional facilities gross receipts
12 tax to the repayment of bonds or other indebtedness, when all
13 outstanding bonds have been paid, whether from the debt service
14 reserve, the redemption fund or maturity, the ordinance shall
15 be repealed if the county correctional facility gross receipts
16 tax revenue is no longer required for the purposes for which it
17 may be used pursuant to the provisions of the County
18 Correctional Facility Gross Receipts Tax Act.

19 ~~[G-]~~ H. The repeal of an ordinance imposing a
20 county correctional facility gross receipts tax shall state
21 that the repeal shall be effective on January 1 or July 1,
22 whichever occurs first following the date the department is
23 notified personally or by mail by the county of the repeal."